

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 CIAE-00 INR-10 NSAE-00 TRSE-00  
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USDOC FOR BEWT/TDAD

E.O. 11652: N/A  
TAGS: EIND, UR  
SUBJECT: TOP-LEVEL GENERAL MOTORS TECHNICAL TEAM  
VISITS MOSKVITCH PLANTS

REF: (A) MOSCOW 12678, (B) MOSCOW 9826

1. JOSEPH J. BODIE, DIRECTOR-SALES DEVELOPMENT (EASTERN EUROPE), GENERAL MOTORS OVERSEAS CORPORATION (GMOC) HAS INFORMED US THAT TOP-LEVEL DELEGATION OF GM EXECUTIVES LED BY EXECUTIVE VICE PRESIDENT REUBEN JENSEN AND INCLUDING GUY NEWTON, VICE PRESIDENT AND GENERAL MANAGER, GMOC, VISITED USSR DURING WEEK OF JUNE 11-16 FOR PURPOSE OF CHECKING OUT VARIOUS SOVIET AUTOMOBILE PRODUCTION FACILITIES. ACCORDING TO BODIE, GROUP TOURED FOUR SUCH FACILITIES: KAMAZ TRUCK PLANT, TOGLIATTIGRAD, AND TWO MOSKVITCH PLANTS LOCATED IN MOSCOW AND IN SECOND CITY NEAR URALS.

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2. BODIE EXPLAINED THAT JENSEN WAS A "PRODUCTION MAN" AND NOT A COMMERCIAL EXPERT. HIS FUNCTION ON THIS TRIP WAS, THEREFORE, TO GET AN ON-THE-GROUND IDEA OF WHERE SOVIETS STOOD IN AUTOMOTIVE PRODUCTION TECHNOLOGY BEFORE GM MOVED FURTHER INTO POSSIBLE COOPERATIVE EFFORT IN PRODUCING NEW MOSKVITCH AUTOMOBILE IN USSR

(REFTELS). BODIE SAID THAT SET OF BASIC PRINCIPLES FOR COOPERATION WHICH NEWTON HAD PRESENTED TO SOVIETS DURING HIS LAST VISIT IN APRIL (REFTEL B) HAD BEEN RESPONDED TO BY SOVIETS WITH SUGGESTIONS FOR SOME MODIFICATION. BASED ON SOVIET SUGGESTIONS, GM HAD NOW COME FORWARD WITH A SECOND REVISED SET OF WORKING PRINCIPLES WHICH WOULD SOON BE TALKED OVER WITH SOVIETS SOMEWHERE, HE INTIMATED, IN WESTERN EUROPE.

3. COMATT ASKED BODIE WHETHER GM'S REVISED SET OF PRINCIPLES FOR COOPERATION INCLUDED REQUIREMENT TO HAVE GM QUALITY CONTROL EXPERTS ACTUALLY STATIONED ON FLOOR OF NEW PLANT AND ALONG PRODUCTION LINE TO INSURE GM PRODUCTION STANDARDS ARE MET. BODIE THOUGHT NOT. HE SAID THAT GM INTENDED TO RELY ON OTHER BASIC PRINCIPLES SUCH AS NEED FOR SOVIETS TO ACCEPT FACT THAT GM WOULD TREAT PROPOSED NEW PLANT EXACTLY AS IT DID ANY OF ITS OTHER PRODUCTION FACILITIES IN WORLD. THAT IS, GM WOULD INSIST ON RIGHT TO SPRING "SURPRISE INSPECTIONS" ON PLANT, SENDING IN SPECIAL TEAMS OF PRODUCTION EXPERTS TO YANK A CAR OFF LINE PERIODICALLY AND TEAR IT DOWN WITHOUT WARNING AS A MEANS OF INSURING LIMITED OFFICIAL USE

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OUTPUT OF A QUALITY MOTOR VEHICLE.

4. COMMENT: GIVEN PROBLEMS WHICH BENDIX RAN INTO IN TRYING TO BRING SOVIETS TO ACCEPT NEED FOR TIGHT QUALITY CONTROL PROCEDURES IN PRODUCING "AUTOLITE" SPARK PLUGS, WE WONDER WHETHER GM MAY NOT ALSO BE HEADED INTO CUL-DE-SAC IN ITS TALKS WITH SOVIETS ON THIS ISSUE. IT SEEMS TO US THAT IDEA OF TREATING NEW MOSKVITCH PLANT ALMOST AS "ONE OF ITS OWN" ALSO HAS INHERENT DIFFICULTIES FOR GM, IF IN FACT BODIE WAS CORRECT IN CHARACTERIZING GIANT AUTOMAKER'S POSITION ON THIS POINT. HOW, ONE ASKS, COULD A SURPRISE INSPECTION TAKE PLACE IN USSR WHEN VISAS FOR TECHNICAL PERSONNEL MUST BE APPLIED FOR THREE WEEKS IN ADVANCE? UNFORTUNATELY, NEITHER JENSEN NOR NEWTON THEMSELVES CALLED AT EMBASSY BEFORE DEPARTING USSR SO WE ARE NOT ABLE TO REPORT ON THEIR REACTIONS TO WHAT THEY SAW IN PLANTS THEY TOURED. WE WILL MONITOR THIS PROPOSED NEW PROJECT AND REPORT MAJOR DEVELOPMENTS AS THEY BECOME KNOWN TO US.

5. PLEASE TREAT FOREGOING AS PROPRIETARY  
INFORMATION AND "BUSINESS CONFIDENTIAL." MATLOCK

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## Message Attributes

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**Concepts:** BUSINESSMEN, AUTOMOTIVE INDUSTRY, MEETING DELEGATIONS, VISITS  
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